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TAGS: [PREL](#) [PGOV](#) [PBTS](#) [EFIN](#) [ECON](#) [IZ](#) [KU](#)
SUBJECT: FM ZEBARI ON "NEW ERA" FOR AMERICA, KUWAIT SUMMIT
BILATERALS, WAY FORWARD ON CHAPTER VII, NEIGHBORS PROCESS
AND MORE

Classified By: Ambassador Ryan C. Crocker for reasons 1.4 (b) and (d).

Summary

¶1. (C) Foreign Minister Zebari told Ambassador Satterfield and Senior Advisor Gray January 22 that Iraqis are following closely the first days of President Obama's Administration, and that early signals to the region have been reassuring. He said the Iraq-Kuwait bilaterals on the margins of the January 19-20 Kuwait Economic Summit had gone well, reported that both sides agreed on a formula to settle the long running Iraqi Airways case, and also that Kuwaiti Foreign Minister Shaykh Muhammed will lead a large delegation to Iraq "soon" to discuss the full range of bilateral issues. Zebari also touched on discussions he had had in Kuwait with Saudi and Egyptian counterparts; said formation of a U.S.-Iraqi Joint Coordination Committee (JCC) on Political-Diplomatic issues would provide a sound basis to discuss remaining Chapter VII issues and encourage the GOI to speak with one voice; expressed continued interest in the Neighbors Process but added that Iraq will await the views of the new U.S. Administration before proceeding; highlighted that Iraq is slated to host the March 2010 regular annual Arab League Summit; and noted upcoming visits to Baghdad of the German and Greek Foreign Ministers, as well as his own travel to Ankara, Athens and Rome. Zebari's readout of discussions on Gaza at the Kuwait Summit are reported septel. End Summary.

A New Era, An Historic Inauguration

¶2. (C) Zebari began by observing that with President Obama's historic inauguration, the United States and the world "have entered a new era." Iraqis are following developments closely, especially as they relate to the future of the U.S. role in Iraq, and the President's early statements have reassured the region. He highlighted that he had had a one-hour interview on Iraqi Al-Hurra television the day before "to stress continuity and the importance of Iraq making continued progress in the year ahead." He added that in private conversations with key GOI players, he has underlined that now more than ever, Iraq needs to project stability and continuity and avoid any sudden changes -- such as any effort to unseat Prime Minister Maliki -- that would undermine international confidence in Iraq's future.

Iraq-Kuwait Bilaterals Agree that Kuwaiti Foreign Minister
Will Visit Baghdad "Soon" to Discuss "Everything"

¶3. (C) Providing a readout on meetings that had taken place on the margins of the Kuwait Economic Summit, Zebari said the Iraqi delegation's bilaterals with their Kuwaiti hosts had gone well -- both the private meeting between President Talabani and Kuwaiti Amir Shaykh Sabah al-Ahmad Al Sabah, and

the larger meeting chaired by Zebari and Kuwaiti Foreign Minister Shaykh Muhammed that included both countries' Ministers of Oil, Interior and Finance. The two sides agreed that Shaykh Muhammed will visit Baghdad "soon" (which he defined as the first half of February) with a large delegation to discuss "oil fields, pipelines, maritime routes, compensation, debt, borders, everything." In addition to Baghdad, Zebari said the Kuwaitis would also visit Erbil, Sulimaniyah, Najaf and Basra.

Debt, Compensation, Kuwait Airways case,
Pipelines, Wrecks and Borders
QPipelines, Wrecks and Borders

14. (C) On the debt issue, Zebari relayed that the Amir cautioned "we can't make any guarantees," wouldn't write it off, and asked Iraq "not to push the issue." The Amir also noted that Kuwait is not actively collecting the debt, and said that "time will take care of it." On compensation, the Amir was also noncommittal, but suggested that Iraq approach the UN Security Council (i.e. rather than treating the issue as purely bilateral in nature). When the Iraqis asked whether the Kuwaitis would support or oppose reduction from five percent to one percent in Iraq's contribution to the UN Compensation Commission, the Amir replied somewhat cryptically that "anyone who gets money for free would not reject it."

15. (C) In a surprising development, Zebari reported that there had been a breakthrough in the long-running Kuwait Airways case. During a meeting between both full

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delegations, the Amir announced that in order to close the gap between the \$300 million Iraq is willing to pay and the \$500 million Kuwait Airways requires, he would chip in \$200 million of his own money in order to close the file. Zebari said the Iraqi Finance and Transport Ministries now need to prepare all the necessary papers, commenting that "speed and execution is the key."

16. (C) Turning to other issues, Zebari said another session on border issues between Iraq and Kuwait is needed before Iraq can sign a Memorandum of Understanding (MOU) on Khor Abdullah wreck removal operations. Conclusion of this MOU, he said, will be necessary before survey work on unexploded ordnance in the northern gulf related to construction of new oil pipelines can commence. Ambassador Satterfield and Senior Advisor Gray stressed the importance notifying the Government of Kuwait expeditiously so as to not delay the work of the survey teams which plan to begin work in mid-February. Deputy Foreign Minister Hamoud, who was also in the meeting, noted that he will be traveling to Kuwait on January 28 with a delegation from Iraq's Oil Ministry and would raise the survey work and wreck removal with his Kuwaiti interlocutors. That said, Zebari indicated that an MOU signing would probably only occur when the Kuwaiti Foreign Minister comes to Baghdad. While recognizing that there are "unhelpful voices" in Iraq which do not recognize Kuwaiti sovereignty, Zebari also made a point of expressing unhappiness with earlier Kuwaiti-Iranian border discussions that related to areas Iraq sees as its own: "We will not recognize any Iran-Kuwait agreement on borders that does not include us."

Saudi Arabia and Egypt

17. (C) Zebari said he urged Saudi Foreign Minister Prince Saud to help move the Iraqi-Saudi relationship forward. In particular, he highlighted that the KSA still has not granted agreement to the Iraqi Ambassador the GOI announced last September. Saud promised to work on it. Zebari also relayed

that he spoke with Saudi Intelligence Chief Prince Muqrin about expanding the scope of bilateral intelligence cooperation. Muqrin responded that the KSA is pleased with the current level of cooperation and will need some time to consider increasing it. On Egypt, Zebari said his private assessment is that Cairo's view of Iraq is positive and they are interested in increasing contacts and cooperation. He noted that Iraq and Egypt have finalized a Strategic Framework agreement and that Deputy Foreign Minister Labeed Abbawi will soon travel to Cairo. On relations with both Cairo and Riyadh, Zebari said that 2009 will be a critical year for Iraq and that both countries, while taking a more positive approach, are "not in a rush."

Political-Diplomatic JCC, Chapter VII and the Need
for the GOI to Speak with One Voice on Foreign Policy

¶8. (C) Zebari reaffirmed his support for formation of a U.S.-Iraq Joint Coordination Committee (JCC) on Political-Diplomatic cooperation under the Strategic Framework Agreement (SFA). The work of such a JCC, he said, would complement ongoing and regular contacts between the MFA and the Embassy. He added that it also would help push the GOI's various actors to speak with one voice on foreign policy matters and, he hoped, strengthen the MFA's position within the GOI. On the latter point, Zebari highlighted two recent actions by the Prime Minister's Office that had clearly irked him. The day before, while he was out of the country, Zebari said there had been a Cabinet decision "to extract money from the villas" that will house new diplomatic missions in the IZ. Such an action, he said, has created uncertainty among the Kuwaitis, the UAE, and the Jordanians (Note: all of whom have recently returned diplomats to Iraq and are in the process of reopening embassies. End note.), and has undermined the MFA which has been the main interlocutor with these new missions. A second example Zebari pointed to was a proposed new law on ratification of treaties, drafted by the Prime Minister's Legal Advisor and recently presented to the Cabinet for decision. This new version, Zebari said, "was a non-starter since it abolished the role of the MFA!". Zebari said he had made his objections on both issues clear to Prime Minister Maliki who, he said, "was defensive as usual but said he would look into it."

¶9. (C) In the context of such real or perceived slights, Zebari made clear that a JCC on Political-Diplomatic cooperation, would help solidify the MFA's bureaucratic

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position. Under such a framework, he said, the contributions of other GOI players would be welcome ("if they want to contribute, 'Ahlan wa Sahlan'"), but the MFA would have the lead: "We have made a decision. We will push back on any other government body that tries to push the MFA around. We will not accept it. There has to be some respect." In response to Zebari's request that a JCC be formed, Ambassador Satterfield said addressing how the GOI would like to move forward with regard to Iraq's remaining Chapter VII obligations would be a timely first topic to tackle. Inclusion of all key GOI players, Satterfield noted, would help clarify what the GOI wants to address first and what it is prepared to leave aside for the moment. It also would help address the systemic issues Zebari had identified.

¶10. (C) Zebari made clear his desire to move quickly. Iraq, he said, is required to provide an oral report to the UN in March on its remaining Chapter VII obligations, and a written report in June. In this context, Ambassador Satterfield underlined U.S. readiness to convene the Political-Diplomatic JCC's first meeting as soon as possible. Zebari agreed that time is of the essence.

Neighbors Process: Looking to the New Administration

¶11. (C) Ambassador Satterfield queried Zebari on how he saw the future of the Neighbors Process. Zebari said "I believe we want to proceed but we want to wait and hear the views of the new Administration." Ambassador Satterfield underscored that if Iraq views the process as useful, the U.S. would work to support it. Zebari agreed with Ambassador Satterfield's observation that the "6 3 1" (i.e., the Gulf Cooperation Council, Egypt, Jordan, Iraq and the U.S.) grouping is also valuable and that discussions on Iraq should take place in Iraq. On the prospect of a Ministerial in Baghdad, Zebari said "we can do it ... although logistics and capacity will be a challenge." Looking further ahead, Zebari said that, based on the Arab League's alphabetical rotation, Iraq is slated to host the March 2010 annual Arab League Summit in Baghdad. "Some have asked whether we can do it," he noted, "and I said yes." Ambassador Satterfield agreed that such a gathering in Baghdad would send a strong and positive signal of confidence in Iraq's future.

Upcoming VIPs to Baghdad, Zebari Travel

¶12. (C) As the meeting drew to a close, Zebari ran down a list of expected VIP visits to Baghdad in the coming weeks. German Foreign Minister Steinmeier will come to Baghdad February 17, and also travel to Erbil. The Greek Foreign Minister also plans to come sometime after Zebari's own visit to Athens next week (which will follow, his own January 22-24 visit to Ankara), during which she will open a Greek Consulate in Erbil. Zebari said the Secretary General of the OIC, as well as the President of Pakistan, have also expressed interest in possible visits.

¶13. (C) Finally, Zebari noted that he plans to travel to Rome February 5 to attend a meeting of Foreign Ministers that will discuss reform of the Security Council. Ambassador Satterfield noted that NATO Assistant Secretary General Howard would be traveling to Baghdad shortly to seek GOI assurances on immunities for NTM-I personnel. Given current concerns on the immunities issue by NTM-I contributor countries, Ambassador Satterfield urged Zebari to stress to the Italians the critical role the Carabinieri play in the NTM-I and the need for their continued presence.

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